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Report From Industry's Mortgage Conference

EFT's Influence On Future Bank Office Design —One View

New Hampshire Annual Keys on Asset, Liability Strategies

Crimes Against Banks

...On How to Thwart Those Bad-Check Passers

...On 1979's Record-Breaking Rate Of Bank Robberies

Also: Nationwide NOW Account Bill Passes House ■ Fed OK's Savings Banks' Plan to Acquire Commercial Bank ■ Big-Ticket Premiums Instead of Interest Lure Savings ■ First Sale of GNMA-Backed Bonds by Boston Mutuals ■ Washington S&L Converting to Savings Bank ■ Starts Slip, Rates Up Again

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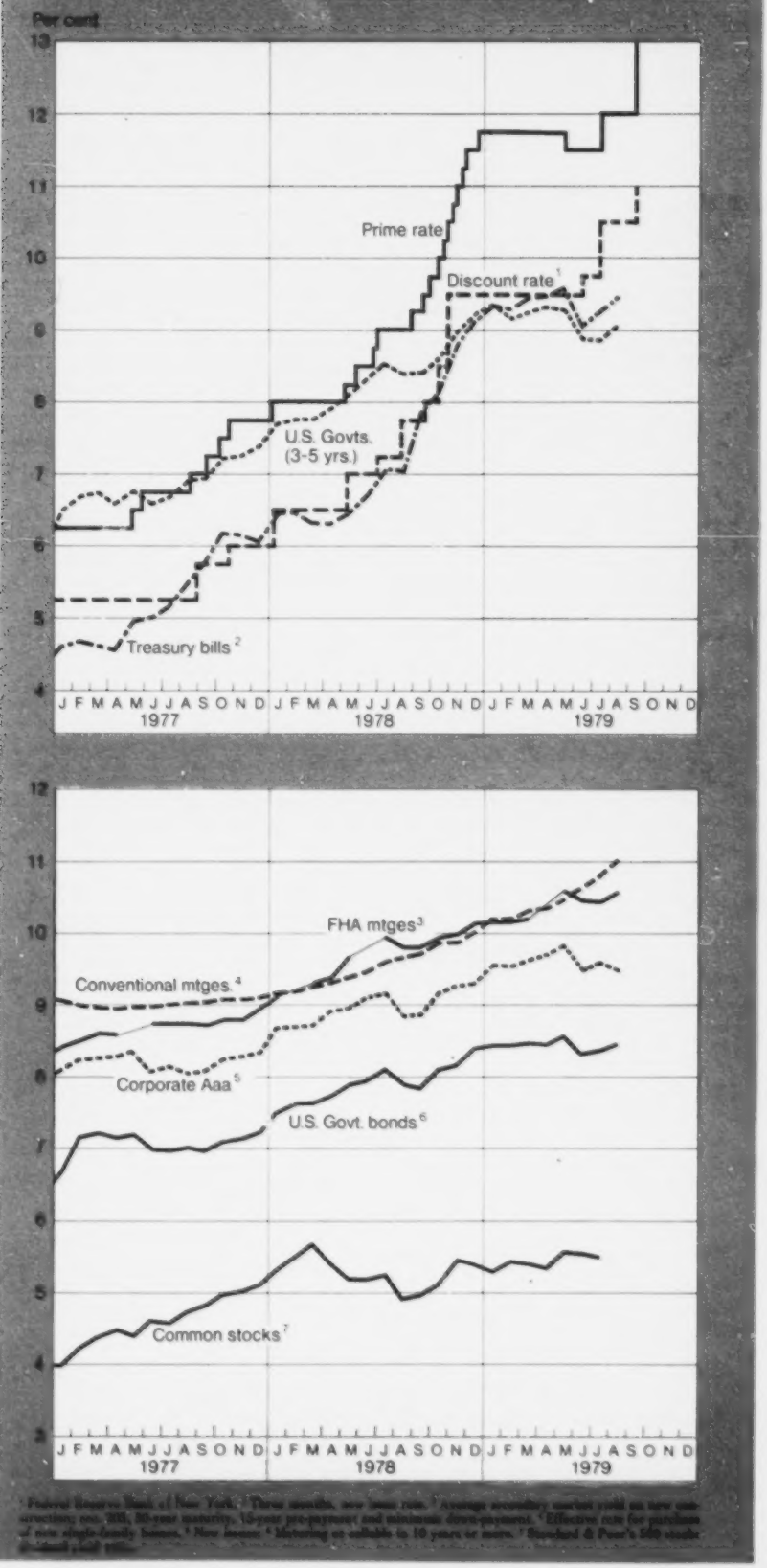
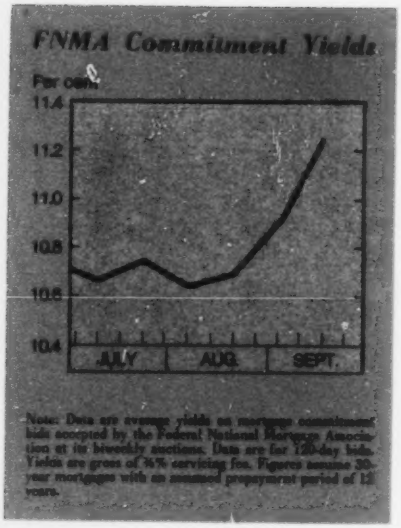
SBJ Money and Capital Market Yield Trends



[1] Federal Reserve Bank of New York. [2] Three months, new issue rate. [3] Average secondary market yield on new one-unit/two, one, FHA, 30-year maturity, 10-year pre-payment and minimum down-payment. [4] Effective rate for purchase of new single-family homes. [5] New issues. [6] Maturing or callable in 10 years or more. [7] Standard & Poor's 500 stocks [illegible]



Note: Data are average yields on mortgage commitments bids accepted by the Federal National Mortgage Association at its biweekly auctions. Data are for 120-day bids. Yields are gross of ¾% servicing fee. Figures assume 30-year mortgages with an assumed prepayment period of 12 years.

DEPOSIT ACTIVITY IN REGULAR ACCOUNTS IN MUTUAL SAVINGS BANKS,[1] BY STATES

(Amounts in thousands of dollars)

State	July 1979					July 1978				
	Amounts Deposited[2]	Withdrawals	Net Change in Deposits			Amounts Deposited[2]	Withdrawals	Net Change in Deposits		
			Excluding Interest	Incl. Interest				Excluding Interest	Incl. Interest	
				Amt.	%				Amt.	%
Connecticut	898,889	955,196	—56,307	12,454	.10	732,106	704,654	27,452	78,939	.68
Indiana	21,499	19,452	2,047	2,049	.94	12,583	12,901	—318	—235	—.11
Maine	229,954	217,472	12,482	25,604	1.13	140,150	120,947	19,203	29,526	1.41
Maryland	91,317	101,240	—9,923	4,566	.32	72,803	72,452	351	5,474	.42
Massachusetts	1,943,883	1,993,403	—49,520	63,757	.31	1,327,383	1,299,230	28,153	133,002	.67
New Hampshire	231,373	229,467	1,906	13,848	.61	174,823	156,063	18,760	29,247	1.39
New Jersey	671,979	662,610	9,369	56,775	.72	592,111	505,785	86,326	119,623	1.68
New York—City	4,316,993	4,889,366	—572,373	—528,083	—.96	3,312,349	3,509,885	—197,536	—170,438	—.32
—Upstate	1,871,966	1,919,771	—47,805	—18,566	—.08	1,274,357	1,238,384	35,973	47,145	.23
Pennsylvania	1,359,610	1,367,017	—7,407	33,233	.28	894,849	873,546	21,303	54,342	.50
Rhode Island	161,914	159,125	2,789	8,685	.56	90,998	105,803	—14,805	—4,079	—.28
Vermont	79,514	77,820	1,694	3,853	.51	47,677	44,036	3,641	5,721	.83
Washington	371,251	368,993	2,258	2,790	.08	265,447	263,326	2,121	2,641	.07
Wisconsin	5,761	4,960	801	910	1.22	2,803	2,829	—26	5	.01
All other states	238,034	241,773	—3,739	204	.01	179,145	171,589	7,556	10,139	.49
Total	12,493,937	13,207,665	—713,728	317,921	.22	9,119,584	9,081,430	38,154	341,052	.25

Note: See notes to "Assets and Liabilities of All Mutual Savings Banks."

[1] Excludes special purpose accounts such as checking, Christmas, vacation and school.

[2] Excludes interest credited.

Source: National Association of Mutual Savings Banks.

Table 1

Income and Expenses of Mutual Savings Banks, by States, 1978

(In millions of dollars)

Item	Total	New York	Mass.	Conn.	Pa.	N.J.	Wash.	N.H.	Me.	R.I.	Md.	All other states
Total operating income	11,824	6,257	1,706	1,033	911	624	351	195	193	132	122	300
Interest and dividends on securities	3,530	2,136	396	176	400	206	37	39	36	24	21	60
U.S. Government and agency obligations	1,267†	774	n.a.	55	81	123	20	18	17	16	12	24
Other securities	2,263†	1,362	n.a.	121	319	83	18	20	19	8	9	35
Net interest and discount on loans	7,930	3,990	1,168	832	499	404	301	154	154	103	93	233
Mortgage loans	7,266†	3,692	n.a.	734	469	373	271	134	135	91	74	219
Other loans	664†	299	n.a.	98	31	31	30	20	19	11	19	14
Other operating income	364	130	142	26	11	15	12	3	4	5	8	8
Operating expenses and taxes	2,351	1,145	391	248	130	125	90	42	43	33	33	71
Net operating income after expenses and taxes	9,473	5,112	1,314	786	780	500	261	153	150	99	89	230
Interest paid depositors	8,512	4,660	1,171	710	692	439	220	131	128	86	75	201
Net operating income after expenses, taxes and interest	961	452	143	76	88	61	40	22	22	13	14	29
Net realized gains or losses on assets	-69	-40	-21	6	-7	-3	-1	*	-1	*	*	-1
Securities	-60†	-36	n.a.	6	-12	*	1	1	-1	*	*	-1
Real estate mortgage loans	-29†	-16	n.a.	*	*	-1	-3	*	*	—	*	-1
Real estate	-2†	*	n.a.	*	*	-2	*	*	*	*	*	*
Other	23†	11	n.a.	1	4	*	*	-1	*	—	*	*
Retained earnings	892	411	123	82	81	59	39	22	21	13	14	28

n.a. — not available.
*Less than $500,000.
†Partly estimated; separate data for Massachusetts are not available.
NOTE: Data are preliminary.
Source: National Association of Mutual Savings Banks.

Table 2

Income and Expense Ratios for Mutual Savings Banks, by States, 1978

(In per cent)

Item	Total	New York	Mass.	Conn.	Pa.	N.J.	Wash.	N.H.	Me.	R.I.	Md.	All other States
Ratios to total assets:												
Total operating income	7.72	7.56	7.82	7.92	7.71	7.70	8.89	8.20	8.27	8.07	7.83	8.12
Total operating expenses and taxes	1.54	1.38	1.79	1.90	1.10	1.54	2.28	1.78	1.85	2.01	2.11	1.91
Interest paid depositors	5.56	5.63	5.37	5.44	5.85	5.41	5.59	5.50	5.49	5.25	4.83	5.43
Net operating income after expenses, taxes and interest	.63	.55	.66	.58	.75	.75	1.02	.93	.93	.81	.89	.78
Net realized gains or losses	-.04	-.05	-.10	.05	-.06	-.03	-.03	*	-.05	-.02	.01	-.02
Retained earnings	.58	.50	.56	.63	.69	.72	.99	.92	.88	.79	.90	.75
Ratios to total deposits:												
Interest paid depositors	6.13	6.20	5.92	6.05	6.36	5.93	6.23	6.20	6.07	5.87	5.57	6.13
Retained earnings	.64	.55	.62	.70	.74	.79	1.11	1.04	.97	.88	1.04	.85
Ratios to securities held:												
Interest on U.S. Government and agency securities	7.67†	7.70	n.a.	7.49	7.86	7.79	7.39	7.25	7.54	7.37	6.97	7.27
Interest and dividends on other securities	7.61†	7.67	n.a.	6.98	7.74	7.52	7.61	7.77	7.35	7.07	6.78	7.32
Interest and dividends on total securities	7.63†	7.68	n.a.	7.13	7.77	7.68	7.49	7.51	7.44	7.27	6.89	7.31
Net realized gains or losses on total securities	-.10†	-.13	n.a.	.24	-.23	*	.24	.15	-.25	-.09	.05	-.11
Ratios to mortgage loans:												
Net interest and discount on mortgage loans	7.90†	7.66	n.a.	8.17	7.98	7.98	9.22	8.59	8.55	8.24	7.99	8.61
Net realized gain or loss	-.03†	-.03	n.a.	*	*	-.02	-.10	-.01	*	—	*	-.03

n.a. — not available.
*Less than .005%.
†Ratios are computed on the basis of data from states other than Massachusetts.
NOTE: Ratios are computed from data in Table 1 and average asset and liability figures.
NOTE: Data are preliminary.
Source: National Association of Mutual Savings Banks.

Table 3

Income and Expense Ratios for Mutual Savings Banks, by Deposit Size, 1978

(In per cent)

Item	Total	Deposit size (in millions of dollars)							
		Less than 25.0	25.0 to 49.9	50.0 to 99.9	100.0 to 249.9	250.0 to 499.9	500.0 to 999.9	1,000.0 to 1,999.9	2,000.0 or more
Ratios to total assets:									
Total operating income	7.72	8.05	8.04	8.00	7.88	7.76	7.70	7.74	7.53
Total operating expenses and taxes	1.54	1.90	1.81	1.75	1.72	1.60	1.61	1.60	1.23
Interest paid depositors	5.56	5.32	5.38	5.46	5.41	5.47	5.46	5.62	5.75
Net operating income after expenses, taxes and interest	.63	.83	.84	.79	.75	.69	.63	.51	.56
Net realized gains or losses	-.04	-.08	-.08	-.03	-.05	-.10	-.05	.02	-.06
Retained earnings	.58	.75	.76	.76	.71	.59	.58	.53	.50
Ratios to total deposits:									
Interest paid depositors	6.13	5.87	5.95	6.03	5.98	6.03	6.03	6.23	6.31
Retained earnings	.64	.83	.84	.83	.78	.65	.64	.59	.54
Ratios to securities held:									
Interest on U.S. Government and agency securities†	7.67	7.44	7.40	7.36	7.43	7.42	7.66	7.86	7.77
Interest and dividends on other securities†	7.61	8.17	7.89	7.66	7.50	7.49	7.43	7.50	7.75
Interest and dividends on total securities†	7.63	7.78	7.68	7.53	7.47	7.45	7.52	7.66	7.75
Net realized gains or losses on total securities†	-.10	-.07	-.22	-.09	-.07	-.27	-.04	.03	-.17
Ratios to mortgage loans:									
Net interest and discount on mortgage loans†	7.90	8.46	8.49	8.44	8.20	8.13	7.91	7.86	7.57
Net realized gain or loss†	-.03	-.01	-.01	-.01	-.01	-.02	-.02	-.03	-.02

†Ratios are computed on basis of data from states other than Massachusetts.

NOTE: Data are preliminary.

NOTE: See note to Table 2.

Source: National Association of Mutual Savings Banks.

DEPOSIT ACTIVITY IN REGULAR ACCOUNTS IN MUTUAL SAVINGS BANKS

(Amounts in millions of dollars, accounts in thousands)

Period	Amounts Deposited	Withdrawals	Net change in deposits			Number of accounts	
			Excluding interest	Including interest		Total	Net Change
				Amt.	%		
Annually							
1975	53,125	48,369	4,757	11,070	11.27	26,284	980
1976	62,429	57,147	5,283	12,269	11.23	27,533	1,151
1977	73,306	70,431	2,874	10,687	8.76	28,825	1,303
1978	91,967	92,558	—591	7,697	5.80	30,472	1,647
Monthly							
1978—Aug.	7,613	7,688	—75	260	.19	29,905	78
Sept.	7,126	7,167	—41	1,354	.98	29,995	85
Oct.	8,990	8,942	48	354	.25	30,050	55
Nov.	8,061	8,121	—59	275	.20	30,255	205
Dec.	9,115	9,520	—405	1,213	.87	30,472	217
1979—Jan.	12,303	12,421	—118	218	.15	30,661	190
Feb.	7,179	6,837	342	682	.48	30,797	135
Mar.	9,350	8,887	463	1,972	1.39	30,871	74
Apr.	10,196	11,388	—1,192	—818	—.57	n.a.	n.a.
May	9,007	9,348	—341	61	.04	n.a.	n.a.
June	9,691	10,340	—649	890	.62	n.a.	n.a.
July	12,494	13,208	—714	318	.22	n.a.	n.a.
Aug. (Est.)	n.a.	n.a.	—500	—100	—.07	n.a.	n.a.

n.a.—not available. Est.—estimated.

Notes: Annual and monthly data for net change in deposits including interest and net change in number of accounts have been adjusted, where necessary, to exclude the effects of conversions and consolidations of savings banks and other types of institutions. Amounts deposited and withdrawals include shifts of funds between ordinary and time and other higher-yield accounts. Components may not add to totals due to rounding. Source: National Association of Mutual Savings Banks.

ASSETS AND LIABILITIES OF ALL MUTUAL SAVINGS BANKS

(Amounts in millions of dollars)

Date	Mortgages	GNMAs	Investments				Other assets	Total assets-Total liabilities & gen. res. accts.	Deposits			Other liabilities	General reserve accounts
			U.S. Govt. & Federal agencies	State & local Govt.	Corporate bonds	Corporate stocks			Total*	Savings	Time		
1975 Dec. 31	77,221	3,367	7,507	1,545	17,536	4,322	9,558	121,056	109,873	69,653	39,639	2,755	8,428
1976 Dec. 31	81,630	5,808	9,109	2,417	20,335	4,381	11,131	134,812	122,877	74,535	47,426	2,884	9,052
1977 Dec. 31	88,195	8,331	9,233	2,828	21,498	4,751	12,450	147,287	134,017	78,005	54,739	3,292	9,978
1978 Aug. 31	92,866	9,540	8,602	3,098	21,845	4,816	14,444	155,210	139,308	75,578	62,112	5,247	10,654
Sept. 30	93,403	9,742	8,631	3,180	21,657	4,781	14,717	156,110	140,816	75,423	63,645	4,569	10,725
Oct. 31	93,903	9,761	8,540	3,190	21,670	4,785	14,995	156,843	141,026	74,124	65,298	5,041	10,777
Nov. 30	94,497	9,820	8,437	3,307	21,633	4,824	14,916	157,436	141,155	72,398	67,299	5,411	10,870
Dec. 31	95,157	10,021	8,297	3,333	21,566	4,807	14,991	158,174	142,701	71,816	69,354	4,565	10,907
1979 Jan. 31	95,552	10,230	8,178	3,328	21,622	4,815	15,167	158,892	142,879	69,244	72,145	5,032	10,980
Feb. 28	95,821	10,492	8,114	3,167	21,665	4,837	15,983	160,078	143,539	68,817	73,254	5,485	11,054
Mar. 31	96,136	10,669	8,187	3,126	21,767	4,849	17,132	161,866	145,650	68,829	75,213	5,048	11,167
Apr. 30	95,900	11,011	8,193	3,326	21,331	4,869	16,602	161,231	145,096	67,758	75,452	5,050	11,084
May 31	96,239	11,168	8,148	3,264	21,249	4,887	16,426	161,380	145,056	67,577	75,694	5,172	11,153
June 30	96,743	11,230	8,029	3,175	21,174	4,877	16,586	161,814	146,057	68,104	76,057	4,545	11,212
July 31	97,238	11,275	7,992	3,154	20,994	4,902	17,042	162,598	145,757	67,537	76,306	5,577	11,264
Aug. 31 (Est.)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	145,607	n.a.	n.a.	n.a.	n.a.
% of Total Assets													
June 31, 1979	59.8	6.9	4.9	1.9	12.9	3.0	10.5	100.0	89.6	41.5	46.9	3.4	6.9
Change during month	495	45	—36	—21	—180	25	456	783	—300	—567	249	1,032	51

Note: Balance sheet data beginning with April 30, 1979 are not strictly comparable with prior months. This largely reflects: (1) changes in FDIC reporting procedures; and (2) reclassification of certain items.

n.a.—not available. Est.—estimated. Source: National Association of Mutual Savings Banks.

* — Total deposit figures include checking, school, club and certain other accounts not shown separately.

Note: GNMA figures refer to all types of mortgage-backed securities guaranteed by the Government National Mortgage Association.